



February 20, 2008

ENGROSSED HOUSE BILL No. 1220

DIGEST OF HB 1220 (Updated February 19, 2008 11:31 am - DI 73)

Citations Affected: Noncode.

Synopsis: Regional development. Requires the commission on state tax and financing policy to study state and local funding alternatives for the South Shore West Lake extension.

Effective: Upon passage.

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(SENATE SPONSORS — CHARBONNEAU, TALLIAN, KENLEY)

January 14, 2008, read first time and referred to Committee on Ways and Means.
January 24, 2008, amended, reported — Do Pass.
January 28, 2008, read second time, amended, ordered engrossed.
January 29, 2008, engrossed. Read third time, passed. Yeas 55, nays 41.

SENATE ACTION

February 4, 2008, read first time and referred to Committee on Tax and Fiscal Policy.
February 19, 2008, amended, reported favorably — Do Pass.

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EH 1220—LS 6939/DI 92+



February 20, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1220

A BILL FOR AN ACT concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **The commission**
2 **on state tax and financing policy established under IC 2-5-3 shall:**
3 **(1) study state and local funding alternatives for the South**
4 **Shore West Lake extension; and**
5 **(2) report the commission's findings and recommendations to**
6 **the legislative council before November 1, 2008.**
7 **The report under subdivision (2) must be in an electronic format**
8 **under IC 5-14-6.**
9 **(b) This SECTION expires January 1, 2009.**
10 **SECTION 2. An emergency is declared for this act.**

EH 1220—LS 6939/DI 92+



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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1220, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 4, after "14." insert "**Northwest Indiana**".

Page 3, between lines 31 and 32, begin a new paragraph and insert:
"SECTION 2. IC 6-2.5-15 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 15. North Central Indiana Transportation Tax Area

Sec. 1. As used in this chapter, "board" refers to the board of trustees of the commuter transportation district.

Sec. 2. As used in this chapter, "bonds" means bonds, notes, or other evidences of indebtedness issued by the development authority for the development of a north central Indiana rail improvement project.

Sec. 3. As used in this chapter, "commuter transportation district" refers to a commuter transportation district that:

- (1) is established under IC 8-5-15; and**
- (2) has among its purposes the maintenance, operation, and improvement of passenger service over the Chicago, South Shore, and South Bend Railroad and any extension of that railroad.**

Sec. 4. As used in this chapter, "covered taxes" means the state gross retail and use taxes imposed under this article.

Sec. 5. As used in this chapter, "eligible county" refers to the following:

- (1) A county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000).**
- (2) A county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000).**

Sec. 6. As used in this chapter, "north central Indiana rail improvement project" means a commuter transportation district project for any of the following purposes:

- (1) Improving access to the South Bend airport.**
- (2) Relocating tracks in Michigan City.**
- (3) Signal and catenary projects contained within an eligible county.**

Sec. 7. (a) The combined territory of the eligible counties is

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designated as a transportation tax area that is entitled to a monthly allocation of covered taxes in the manner and amount provided by this chapter.

(b) Before September 1, 2008, the board shall submit to the department by certified mail a complete list of the following:

- (1) Employers in the transportation tax area.
- (2) Street names and the range of street numbers of each street in the transportation tax area.

The board shall update the list before July 1 of each year that begins after December 31, 2008.

(c) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a transportation tax area.

Sec. 8. A transportation tax area designated under section 7 of this chapter expires when the bonds, together with the interest on the bonds, and interest on unpaid installments of interest, and all costs and expenses in connection with an action or a proceeding by or on behalf of the holders, are fully met, paid, and discharged.

Sec. 9. The department shall before the tenth day of each month determine the total amount of covered taxes deposited in the state general fund under IC 6-2.5-10-1(b)(2) in the previous month that were:

- (1) remitted, in the case of the state gross retail tax deposits, by a retail merchant for retail transactions occurring in an eligible county; or
- (2) paid, in the case of the use tax deposits, by a person who resides or is domiciled in an eligible county.

Sec. 10. The amount of the monthly allocation of covered taxes that a transportation tax area is entitled to receive is equal to:

- (1) the amount determined under section 9 of this chapter; multiplied by
- (2) four and four-tenths percent (4.4%).

Sec. 11. (a) All allocations of covered taxes under this chapter for a transportation tax area shall be made by warrants issued by the auditor of state to the treasurer of state ordering those payments to the board on or before the twentieth day of each month.

(b) There is annually appropriated from the state general fund an amount sufficient to make the allocations required by this chapter.

Sec. 12. The board shall deposit all allocations received under this chapter in a segregated capital improvement fund that may be

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used only for a north central Indiana rail improvement project.

Sec. 13. (a) The board shall repay to the state general fund any amount that is paid to the board under section 11 of this chapter and used for a purpose other than a north central Indiana rail improvement project.

(b) Any state gross retail and use taxes deposited into the fund under section 12 of this chapter that remain in the fund when the transportation tax area expires must be transferred to the treasurer of state for deposit in the state general fund.

Sec. 14. This chapter expires on the earlier of:

(1) December 31 of the calendar year in which the transportation tax area expires under section 8 of this chapter; or

(2) December 31, 2043."

Page 6, after line 4, begin a new paragraph and insert:

"SECTION 6. [EFFECTIVE JULY 1, 2008] **IC 6-2.5-15, as added by this act, applies to retail transactions occurring after June 30, 2008.**"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1220 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 15, nays 5.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1220 be amended to read as follows:

Page 3, line 39, delete "development" and insert "**board**".

Page 3, line 40, delete "authority".

(Reference is to HB 1220 as printed January 25, 2008.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1220 be amended to read as follows:

Page 6, between lines 2 and 3, begin a new paragraph and insert:

"SECTION 4. IC 36-7.5-2-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 3.5. (a) A county or city that participates in the development authority under this chapter must be a member of the development authority for at least ten (10) years after the date the county or city becomes a member of the development authority.**

(b) At least twelve (12) months and not more than eighteen (18) months before the end of a ten (10) year period under subsection (a), the fiscal body of a county or city participating in the development authority must adopt a resolution that:

(1) commits the county or city to an additional ten (10) years as a member of the development authority, beginning at the end of the current ten (10) year period; or

(2) withdraws the county or city from membership in the development authority not earlier than the end of the current ten (10) year period.

(c) The fiscal body of a county or city that participates in the development authority must adopt a resolution under subsection (b) during each ten (10) year period in which the county or city is a member of the development authority.

(d) A county or city may withdraw from a development authority as provided in this section only with the approval of the development board.

(e) If at the end of a ten (10) year period a county or city described withdraws from the development authority under this section:

(1) the terms of members of the development board from that county or city are terminated upon the effective date of the withdrawal of the county or city; and

(2) the county or city that withdraws from the development authority is liable to the development authority for:

(A) any unpaid transfers under this article that become due before the withdrawal of the county or city from the development authority is effective; and

(B) amounts due under any bonds issued or lease rental agreements entered into before the withdrawal of the county or city from the development authority is

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effective."

Renumber all SECTIONS consecutively.

(Reference is to HB 1220 as printed January 25, 2008.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1220 be amended to read as follows:

Page 4, line 21, after "Relocating" insert "**or improving**".

(Reference is to HB 1220 as printed January 25, 2008.)

PELATH

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1220, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning taxation.

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. [EFFECTIVE UPON PASSAGE] **(a) The commission on state tax and financing policy established under IC 2-5-3 shall:**

(1) study state and local funding alternatives for the South Shore West Lake extension; and

(2) report the commission's findings and recommendations to the legislative council before November 1, 2008.

The report under subdivision (2) must be in an electronic format under IC 5-14-6.

(b) This SECTION expires January 1, 2009.

SECTION 2. An emergency is declared for this act."

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Delete pages 2 through 9.
and when so amended that said bill do pass.

(Reference is to HB 1220 as reprinted January 29, 2008.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 0.

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